

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE**

VALERIE HUE,	)	
	)	
Plaintiff,	)	Civil Action No. 05-225-KAJ
	)	
v.	)	
NCO FINANCIAL SYSTEMS, INC., a	)	
Delaware corporation, trading as NCO	)	
FINANCIAL COMMERCIAL SERVICES,	)	
	)	
Defendant.	)	

**VOLUME I**

**APPENDIX TO  
ANSWERING BRIEF OF PLAINTIFF VALERIE HUE  
IN OPPOSITION TO MOTION FOR SUMMARY JUDGMENT**

PARKOWSKI, GUERKE & SWAYZE, P.A.

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DATED: May 15, 2006

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32/11/2004 13:26 FAX 3027351535

J BIRDSONG DE BRANCH

Genevieve H. Riner, RPR  
Delmarva Reporting

Jan 4/05

**CHARGE OF DISCRIMINATION**

This form is affected by the Privacy Act of 1974

**ENTER CHARGE NUMBER**
☐ FEPA 0402270  
☐ EEOC 17CA400265  
 and EEOC

Delaware Department of Labor

(State, or local Agency, if any)

NAME (Indicate Mr., Mrs., Ms.)

Ms. Valerie Hue

HOME TELEPHONE NO. (include Area Code)

(302) 684-1291

STREET ADDRESS

13604 Spicer Road

CITY, STATE AND ZIP CODE

Ellendale DE 19941

COUNTY

Sussex

 NAMED IS THE EMPLOYER, LABOR ORGANIZATION, EMPLOYMENT AGENCY, APPRENTICESHIP COMMITTEE, STATE OR LOCAL  
 GOVERNMENT AGENCY WHO DISCRIMINATED AGAINST ME (if more than one, list below.)

NAME

NCO Financial Commercial Services

NO. OF EMPLOYEES OR  
MEMBERS 100+

TELEPHONE NUMBER (incl. Area Code)

1-800-788-1007

STREET ADDRESS

802 Silver Lake Blvd, Dover, DE 19941-9904 (TOD)

CITY, STATE AND ZIP CODE

NAME

TELEPHONE NUMBER (include Area Code)

STREET ADDRESS

CITY, STATE AND ZIP CODE

☒ RACE ☐ COLOR ☒ SEX ☐ RELIGION ☐ NATIONAL ORIGIN ☐ AGE

☒ RETALIATION ☐ DISABILITY ☐ OTHER (Specify)

DATE DISCRIMINATION TOOK PLACE

EARLIEST 12/2003

LATEST 01/29/2004

☐ CONTINUING ACTION

THE PARTICULARS ARE (if additional space is needed, attached extra sheet(s):

- I am a female individual whose race is black. I was employed by Respondent from approximately February 1995 until I was discharged from as a General Collections Manager on January 29, 2003. I was suspended and then terminated for allegedly violating a company policy. I also believe that I was retaliated against for a previous claim of sexual harassment which resulted in the termination of an associate of Ted Fox, Sr. Vice President of Commercial Services.
- II. I was suspended Ted Fox (white, male) Sr. Vice President of Commercial Services and Kathy Obenshain (white, female) for re-depositing checks without verification of funds and not removing checks from system when requested by collectors. I was later terminated while on suspension.
- III. I believe that Respondent violated Title VII of the Civil Rights Act of 1964, as amended, and the state of Delaware's Discrimination in Employment Act, as amended, when I they terminated me for allegedly violating company policy. During a company conference call with all collection managers of the commercial division throughout the country the issue of re-depositing checks was a topic discussed. Kim Marlow (white, female), Eric Shaw (white, male), Leigh Nickerson (white, female) were all in attendance with me in Respondent's Dover, Delaware location. Kathy Obenshain (white, female) Vice President of Collections, stated that she did not want any checks deposited without verification. A question was asked by Mack McKenzie (white, male) if a check can it be recreated with the same check number. Kathy Obenshain asked was this going on at his branch and he stated "not as of right now" implying that he was re-depositing checks as well. After the conference call new instructions were given out about how to re-deposit checks. There was another process in place for handling re-deposits which I followed. None of my similarly situated co-workers were in retaliation for following the same process I followed. I also believe that Ted Fox (white, male) actions against me were in retaliation for a previous claim of sexual harassment I filed against one of his employees Bill Savage (white, male). Bill was terminated for Sexual Harassment after the company's investigation. Ted fox previous position did not give him authority to terminate me, however two weeks after his promotion I was terminated. I believe that the actions taken by Respondent were a pretext to mask discrimination based I was the only black female General Manager in Commercial Collections Division.

- ☒ I also want this charge filed with the EEOC. I will advise the agencies if I change my address or telephone number and I will cooperate fully with them in the processing of my charge in accordance with their procedures.

SIGNATURE OF COMPLAINANT

I swear or affirm that I have read the above charge and that it is true to the best of my knowledge, information and belief.

NOTARY - (When necessary to meet State and Local Requirements)

are under penalty of perjury that the foregoing is true and correct.

2/3/04

Valerie Hue

Charging Party (Signature)

Subscribed and sworn to before me this date

(Day, month, and year)

B-1



Hue 6 COPY 1

IN THE MATTER OF  
VALERIE D. HUE,  
Claimant,  
v.  
NCO FINANCIAL,  
Employer.

Conversation transcribed from tape-recording  
by Cheryl A. Anthony, Court Reporter, hearing, date, and  
time unknown.

PRESENT:

MR. RICK BOUDREAU

MR. PHIL WEAVER

MR. TED FOX

ORIGINAL RETAINED BY JEREMY HOMER, ESQUIRE

ANTHONY REPORTING  
PO Box 234  
Dover, Delaware 19903  
(302) 674-8884

PLAINTIFF DATE NO.

000124

B-2

1 MR. BOUDREAU: Whew. Let me see. Where was  
2 I? I know wanted to get with Phil, and I was going to  
3 tell him to make sure that you were there on the squawk  
4 box so we could all chat together.

5 UNKNOWN VOICE: Okay. Hold on. Hold on a  
6 second. He's just outside my door.

7 MR. BOUDREAU: Yeah, no problem.

8 UNKNOWN VOICE: Hold on.

9 Phil?

10 Rick?

11 MR. BOUDREAU: Hey.

12 UNKNOWN VOICE: I have Phil right here.

13 MR. BOUDREAU: Hey Phil.

14 MR. WEAVER: Hey, buddy.

15 MR. BOUDREAU: How are you? How are you?

16 MR. WEAVER: Good.

17 MR. BOUDREAU: I just wanted a few moments,  
18 just to kind of -- I just got to combination vent,  
19 combination pour my heart out here to try to understand,  
20 or at least get some direction or at least smack me into  
21 a sense of focus and direction.

22 Bill is driving me fucking crazy. God, that  
23 felt better. Okay. You got his letter earlier in the  
24 month?

PLAINTIFF DATE NO.

000125

Anthony Reporting  
(302) 674-8884

B-3

1 MR. WEAVER: Yeah. And what you don't know,  
2 Rick -- because I didn't just to circle back around to  
3 you -- but once I received that letter, I kind of went  
4 into a spin.

5 MR. BOUDREAU: Okay.

6 MR. WEAVER: And I called Bill and read him  
7 the riot act and told him in no uncertain terms that --  
8 you know, you don't report to him and he doesn't, you  
9 know, direct or ask you for action plans or, you know,  
10 anything like that, that you guys are peers. And, you  
11 know, while there is a dotted line there, because, you  
12 know, we've got to take care of clients, that, you know,  
13 you report to Peter now --

14 MR. BOUDREAU: Right..

15 MR. WEAVER: -- first and foremost, and, you  
16 know, me so -- and he was clear on that.

17 MR. BOUDREAU: Right.

18 MR. WEAVER: He was clear on that and was --

19 MR. BOUDREAU: So that I guess that I would  
20 throw out this proposition that I gave to -- when he  
21 shows up on my LB meeting this morning, he wants LBs to  
22 now provide him with their daily hit list.

23 MR. WEAVER: What?

24 MR. BOUDREAU: The meeting that we had this

PLAINTIFF BATENO.

000126

Anthony Reporting  
(302) 674-8884

B-4

1 morning with the --

2 MR. WEAVER: Wait, wait, wait. Stop.

3 MR. BOUDREAU: Okay.

4 MR. WEAVER: You were having an LB meeting.

5 MR. BOUDREAU: Yeah, which he attended,  
6 which I'm fine; you know, take your input, blah, blah,  
7 blah. I don't mind. Sit in and you want to critique  
8 me, fine. Let's go. That's fine. I have no problem  
9 with, you know, peer critique, that type of a deal.

10 MR. WEAVER: All right. And in that  
11 meeting --

12 MR. BOUDREAU: He asked all collect -- all  
13 LBs to provide him daily with a copy of the hit list  
14 that they would be turning in to me to be turning in to  
15 him.

16 MR. WEAVER: And what was his purpose for  
17 that?

18 MR. BOUDREAU: Obviously, he'd be monitoring  
19 and watching them and monitoring and watching me. I'm  
20 not quite sure. He didn't really lay out --

21 MR. WEAVER: How about the date for  
22 promises? I mean what are you talking about here? Your  
23 daily projection sheets?

24 MR. BOUDREAU: Yes.

PLAINTIFF EXHIBIT

000127

Anthony Reporting  
(302) 674-8884

BS

1 MR. WEAVER: Did he tell you he was going  
2 to do this?

3 MR. BOUDREAU: No. He just threw it out in  
4 the meeting.

5 MR. WEAVER: Yeah. Well, then see? I mean  
6 he should have come to you for that. Rick, you know, if  
7 you don't mind, why don't you copy me on your daily hit  
8 list so I can review them and we know why --

9 MR. BOUDREAU: Sure. I know. I --

10 MR. WEAVER: But not in front of the  
11 collectors.

12 MR. BOUDREAU: Sure.

13 MR. WEAVER: -- unless you are aware of it,  
14 unless it's the two of you together.

15 MR. BOUDREAU: Right. I mean that was  
16 the -- because my response would have been: No. I give  
17 you my fucking projections on a daily basis. You know  
18 how to go in behind me and watch my CMA, blah, blah,  
19 blah, you know. But he decides he that wants to be part  
20 of the process which, you know, is just fucking  
21 bullshit.

22 So then we have our quarterly awards  
23 meeting. We coincided it with Kirk Rochell leaving  
24 today. Kirk goes and tells about how they won a sales

PLAINTIFF EXHIBIT

000128

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(302) 674-8884

B-6

1       award, you know, for the quarter and, you know, the  
2       collectors for the sales cup, to which he made some  
3       catty little sideline comments about how dismal  
4       collections had been.

5               MR. WEAVER: Who? Kirk did?

6               MR. BOUDREAU: No, Bill did, in the midst of  
7       the whole fucking branch meeting about the collector of  
8       the quarter sales cup, and all of this other blah, blah.  
9       And he is applauding sales, you know, for the collectors  
10      cup -- for the sales cup, rather. And at the same time  
11      he is making little side, under-breath comments about  
12      the dismal performance of fucking collections.

13              And I am saying to myself: You know, what  
14      the fuck? First off, do you think the collectors are  
15      really appreciating this? They know how shitty they  
16      did. And you now you are telling the fucking sales  
17      people how shitty they did. A good place to do it,  
18      Bill. You know, (unintelligible) and you are fucking  
19      bad-mouthing the collections department.

20              But then he follows it up with: Oh, and we  
21      need to give them all the assistance that they can get.  
22      Okay, because we don't have enough fucking programs in  
23      place, action plans, follow-ups, daily schedules that we  
24      already follow that we attempt to adhere to. So now

PLAINTIFF CATEORY

000129

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B-7

1 he's got every freaking salesman sending me fucking  
2 print screens.

3 And not that I don't have any problem with  
4 sales managers sending me print screens that they see  
5 accounts that have fallen by the wayside or a client  
6 called and wanted some additional work, you know, that  
7 type of thing.

8 I've got now salesmen on the freaking -- you  
9 know, commenting on the accounts. Hey, do you think an  
10 ADL is appropriate here? And how come this hasn't been  
11 called in three weeks? And what kind of performance is  
12 this for my client? And they're freaking writing these  
13 notes in the collections screens --

14 MR. WEAVER: What?

15 MR. BOUDREAU: -- sending me piles of  
16 fucking print screens. And Bill said: That's what I  
17 want you to do. I want you to help collections, because  
18 they can't get their job done. That is the essence of  
19 what he said. Collections needs your help. So if you  
20 see any accounts that are not being worked properly and  
21 there's lost fee opportunity, why don't you get print  
22 screens, give them to your managers? And I have been  
23 getting fucking -- you know, small, fucking books of  
24 them for the last three or four days. He's just fucking.

PLAINTIFF DATE NO.

000130

Anthony Reporting  
(302) 674-8884

B-8

1 driving me --

2 MR. WEAVER: He'll be reeled back in, Rick.

3 MR. BOUDREAU: No, and -- Are we in a closed  
4 door --

5 MR. WEAVER: Yes.

6 UNKNOWN VOICE: Yes.

7 MR. BOUDREAU: All right. Bill, you know --  
8 Peter, I don't know if you know Bill. Phil, obviously,  
9 you know Bill. He's a real colorful character.

10 MR. WEAVER: I have met him.

11 MR. BOUDREAU: He's -- you know, we were in  
12 the midst of a meeting. They were paging -- I guess you  
13 were paging Mike Scher earlier, at around 11:30, quarter  
14 to 12.

15 MR. WEAVER: Yeah, probably.

16 MR. BOUDREAU: So he opens up the door,  
17 because they page him -- Mike Scher, six-oh, blah, blah.  
18 He opens the door. He said: Hey, do you think there  
19 might be something going on important in here? What's  
20 the matter with you?

21 Great, the freaking collector of sales all  
22 having a hoopla all at the freaking expense of the  
23 receptionist. It's like, how embarrassing is this for  
24 this poor girl? -- Mind you, she knew there was a meeting

PLAINTIFF EXHIBIT NO.

000131

Anthony Reporting  
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B-9



1 going on, probably shouldn't have been paging. But it  
2 was because you guys were calling and, obviously, there  
3 was a sense of importance and urgency to that and that's  
4 probably why she was doing that.

5 MR. WEAVER: We had a client issue, and we  
6 didn't know that there was a meeting going on.

7 MR. BOUDREAU: No, and the receptionist, you  
8 know, passed the message on. But more importantly, I  
9 know Bill's sideline crack was really appropriate. And  
10 you know, he does these things.

11 MR. WEAVER: No, we don't do that in front  
12 of other employees, you know.

13 MR. BOUDREAU: I mean Bill is a colorful  
14 character and will certainly tell you at any point in  
15 time how much of it he is. But he's a loose cannon  
16 sometimes, and I mean that was a little awkward.

17 I even had a gal just recently left us. Her  
18 name was Audrey Williams. She was my TPA person for a  
19 little while.

20 MR. WEAVER: Yeah.

21 MR. BOUDREAU: And I moved her into admin,  
22 and she said -- you know, she was struggling, going  
23 through it bits and pieces.

24 But you know, Bill just decided to target

PLAINTIFF STATE NO.

000132

Anthony Reporting  
(302) 674-8884

B-10

1 her. And at one point in time, he walks by her door,  
2 bangs on the window, because we've got these little  
3 fishbowl windows type deal. He bangs on the door. And  
4 he's halfway down the hallway and says to Val: Hey, do  
5 you think you can get that fat ass to wake herself up?

6 It's, you know, like a day and a half later  
7 that Audrey put in her notice. Now, did she talk all  
8 about that?

9 MR. WEAVER: Did you hear that first person?

10 MR. BOUDREAU: No, I did not.

11 MR. WEAVER: Did Valerie?

12 MR. BOUDREAU: Valerie did --

13 MR. WEAVER: Huh?

14 MR. BOUDREAU: Valerie, I believe, will give  
15 you that first person.

16 MR. WEAVER: I want her to document that.

17 MR. BOUDREAU: You know, I even made a point  
18 of telling her: You need to go to talk to Bill.

19 MR. WEAVER: No, I don't want her to go to  
20 Bill. I want her to document that to me.

21 MR. BOUDREAU: It's shit like that. And  
22 there are a couple of other little ditties that I'm not  
23 at liberty right now to talk about. But --

24 MR. WEAVER: Like what? I mean what --

PLAINTIFF STATEMENT  
000133

1 MR. BOUDREAU: I'm talking --

2 MR. WEAVER: What are you talking about?

3 MR. BOUDREAU: It's just stupid shit that he  
4 gets around and says. I want to make sure nobody is  
5 around hearing this stuff.

6 [ But he on occasion will use racial epithets  
7 inside offices that probably are not even called for.  
8 But more importantly, he does it in front of producers.  
9 It gets a little, you know, stupid.

10 MR. WEAVER: Like what? Like what did he  
11 say?

12 MR. BOUDREAU: Like, you know, when he was  
13 talking about Audrey, you know, how long is it going to  
14 take for us to get this N word, you know, back on the  
15 phone and woken up?)

16 MR. WEAVER: Who did he say that to?

17 MR. BOUDREAU: Well, he said that definitely  
18 to me and Eric Shaw.

19 MR. WEAVER: All right. I need that  
20 documented.

21 MR. BOUDREAU: I was like: Hey, how stupid  
22 is -- Bill, hey, come on. I mean this is not even cool.

23 MR. WEAVER: Hold on, Rick. I need to get

24 PLAINTIFFS' STATEMENT ENDED Ted down here.

000134

1 UNKNOWN VOICE: Hold on a second. That's  
2 off the charts. That will get us in a lot of trouble.

3 MR. BOUDREAU: You know, it's like -- I  
4 don't know. He's just like driving me freaking crazy,  
5 and I don't know how to -- Look, I've got to -- I've got  
6 to work on that.

7 MR. WEAVER: Yeah, this is Ted.

8 (Unintelligible).

9 MR. WEAVER: Audrey Williams, GPA collector,  
10 (unintelligible) good boy, bad boy, whatever, that --  
11 how long ago, Rick?

12 MR. BOUDREAU: Let's see. She left us two  
13 weeks ago, on a Friday.

14 MR. WEAVER: A couple of days before she  
15 quit?

16 MR. BOUDREAU: Absolutely. You know, it  
17 was like on that Tuesday or Wednesday, because it was  
18 like -- you know, it was less than a week after that  
19 event.

20 MR. WEAVER: -- down the hall, raps on her  
21 window --

22 MR. BOUDREAU: Yeah.

23 MR. WEAVER: -- yells at Val: Hey, do you  
24 think we can get this fat ass on the phone?

PLAINTIFFS' EXHIBIT NO.

000135

Anthony Reporting  
(302) 674-8884

B-13

1 MR. BOUDREAU: Right.

2 MR. WEAVER: It was --

3 MR. BOUDREAU: No. Get the fat ass awake  
4 and on the phone.

5 MR. WEAVER: Awake and on the phone.

6 MR. BOUDREAU: Yeah. And on occasion --

7 MR. WEAVER: Eric Shaw, who is a producer --  
8 and Rick, what was the racial thing?

9 MR. BOUDREAU: Well, you know, he came in  
10 the office and said: What do you think there is a  
11 chance of getting the fat --

12 (Unintelligible).

13 MR. BOUDREAU: -- N word, you know, awake  
14 enough to be able to dial the phone?

15 MR. WEAVER: In front of a producer.

16 MR. FOX: How many people? How many? Just  
17 one?

18 MR. BOUDREAU: It was just me and Eric. He  
19 came -- I was in Eric's office doing a (unintelligible),  
20 and he came in when he saw me in there and --

21 MR. WEAVER: Now, first of all, this whole  
22 meeting thing that happened today --

23 MR. BOUDREAU: Yeah.

24 MR. WEAVER: -- go back over that, Rick.

PLAINTIFF EXHIBIT.

000136

1 MR. BOUDREAU: Yeah. I mean he was  
2 obviously applauding his collections, his sales  
3 department, for having achieved their sales cup, to  
4 which he then threw a couple of little side chops about  
5 the fact that collections obviously had a dismal month  
6 and that it is the salespeople who need to take some  
7 responsibility to that and help collections along.

8 MR. WEAVER: Right, in half.

9 MR. BOUDREAU: Yeah. And to the end that we  
10 need -- they need to be able to watch for those accounts  
11 that they think they can assist us in.

12 So now I've got, you know, a parade of  
13 collectors, of salespeople giving me commentary on when  
14 I should work an account. It's like they've got nothing  
15 else better --

16 MR. WEAVER: Well, why (unintelligible?)

17 MR. FOX: What direction is the  
18 (unintelligible)?

19 MR. WEAVER: On the collectors notes, not  
20 just the --

21 MR. BOUDREAU: Right. I've already got a  
22 couple of salesmen that, you know, I've got -- you know,  
23 that have had issues, Bob Garrett, in particular. And  
24 I've had --

FLA 111111  
000137

1 MR. WEAVER: (Unintelligible) racial  
2 epithet --

3 MR. FOX: That is not our concern.

4 MR. WEAVER: That's way off the charts.

5 MR. BOUDREAU: I've got salesmen that are  
6 now, you know, deciding they know best. I had one sales  
7 kid that came in here today, and he did -- and this is  
8 probably a customer service deal, although I'm not  
9 really certain that the salesman has the right to pick  
10 and choose this thing -- because then it says: Oh,  
11 well, look, you took the account. It was a disconnected  
12 telephone account number, SOS, metroed. And we sent out  
13 a letter, closed it in about eight or nine days. It  
14 was an 1,100, \$1,200 deal.

15 About three weeks later, the client gets a  
16 check. Timing it to the time that the letter went out  
17 until the time the client got it, it made some sense.  
18 But he walked in and said: Oh, look at that. You guys  
19 only worked it for eight days, so I'm not going to bill  
20 the client.

21 MR. WEAVER: I never circled back around  
22 with Rick and told him that Bill and I talked about his  
23 memo to Rick earlier this month.

24 ~~FLAINTIFF~~ But this morning, Rick had a large balance

000138

1 meeting with his large balance collectors. Bill wants  
2 to sit in on it. Rick's fine with that.

3 Bill tells the collectors, without talking  
4 to Rick about it, in the fucking LB meeting, effective  
5 immediately, he needs to start forwarding me all of your  
6 daily hit lists.

7 MR. FOX: After your conversation?

8 MR. WEAVER: Yeah. This is today.

9 MR. FOX: Without telling Rick about it  
10 beforehand? I mean --

11 MR. BOUDREAU: Yeah. There is another one  
12 that I'm just thinking of. And I kept thinking -- I'm  
13 trying, because [I know Val's run into little, awkward  
14 issues with Bill pointing out her assets, if you will.

15 MR. WEAVER: About what?

16 MR. BOUDREAU: Her assets, her breasts.

17 MR. WEAVER: Her --

18 MR. BOUDREAU: Not in so many words, but  
19 just her breasts.

20 MR. WEAVER: Her breasts?

21 MR. BOUDREAU: Her breasts. You know, the  
22 importance of --

23 MR. WEAVER: That comment wasn't towards  
24 her. It was towards another employee.

PLAINTIFF EXHIBIT

000139

Anthony Reporting  
(302) 674-8884

B.17



1 MR. BOUDREAU: No, that was directed at her.  
2 That was -- Valerie relayed the story about how Bill was  
3 so impressed with her, you know, assets.

4 (Unintelligible).

5 MR. WEAVER: Now, that was towards one of  
6 Val's employees.

7 MR. FOX: Okay. Because, you know, Val and  
8 Bill have had a joking relationship that their -- I  
9 don't know if they were joking or not -- but they are  
10 related.

11 MR. BOUDREAU: Yeah, they're related,  
12 exactly.

13 MR. FOX: (Unintelligible) apparently, I  
14 mean there's black heritage in Bill's family, going back  
15 to the Civil War time or whatever.

16 MR. BOUDREAU: And at one point in time,  
17 Brian had had --

18 MR. FOX: Don't get comfortable with  
19 somebody. This is what you get.

20 MR. WEAVER: Okay. Again, I want the -- I  
21 want it documented. I want some screen prints, although  
22 the documentation from you and Eric on the racial  
23 thing --

24 MR. BOUDREAU: Right.

PLAINTIFFS' EXHIBITS.

000140

Anthony Reporting  
(302) 674-8884

B-18

1 MR. WEAVER: -- and from Val on the fat ass  
2 thing.

3 MR. BOUDREAU: Right.

4 MR. WEAVER: I need that stuff documented  
5 and forwarded here first thing in the morning.

6 MR. FOX: Very good.

7 MR. BOUDREAU: I mean it's just -- and you  
8 know, it's just a -- I mean I'm all concerned,  
9 obviously. It's all a concern, and it's a problem.

10 MR. WEAVER: Rick?

11 (Unintelligible).

12 MR. WEAVER: Rick?

13 MR. BOUDREAU: Yeah, I'm listening.

14 MR. WEAVER: Obviously, you know, this is a  
15 serious issue. And you know, I guess my question is I  
16 understand you are a little bit sidwhipped today  
17 because of the quarterly meetings. But why didn't you  
18 bring this to me when it was happening? I mean you know  
19 that those types of comments can get this organization  
20 in so much trouble.

21 MR. BOUDREAU: And it has -- and it has  
22 percolated over the last two weeks. And I am telling  
23 you, it just absolutely just blew up on me today. I

24 just --

PLAINTIFF BATERO.

000141

Anthony Reporting  
(302) 574-8884

B-19

1 MR. WEAVER: Yeah, but Rick --

2 MR. BOUDREAU: I know, I know, Phil, I know.  
3 I know; no excuse.

4 MR. WEAVER: All right. Are you intimidated  
5 by him a little bit?

6 MR. BOUDREAU: You know Bill. It's a hard  
7 sell. He wants it his way, or fuck you becomes his  
8 response, you know. This is the way it gets done. He  
9 has no problems in telling us, you know, the way he  
10 feels in no uncertain terms. And sometimes when he  
11 doesn't want to listen, he absolutely does not want to  
12 listen. You know, no amount of logic or reason is going  
13 to work with him.

14 MR. WEAVER: Do I really want this?

15 MR. BOUDREAU: That is crazy. I mean, you  
16 know --

17 MR. WEAVER: Hey, Rick.

18 MR. BOUDREAU: I mean I had better  
19 communications with Ron.

20 MR. WEAVER: How close -- oh, God.

21 MR. BOUDREAU: A comical figure.

22 MR. WEAVER: How close is Eric Shaw to Bill?

23 MR. BOUDREAU: Other than the fact that they  
24 have been here for forever together?

PLAINTIFFS' EXHIBIT

0000142

Anthony Reporting  
(302) 674-8884

B-20

1 MR. WEAVER: Well, I mean if we ask Eric  
2 Shaw to document that --

3 MR. BOUDREAU: He even came around the  
4 corner after that. He said: Man, you've got to talk to  
5 Bill. He can't be saying shit like that. .

6 MR. WEAVER: All right, then good. I want  
7 it documented from Eric. I want it separately  
8 documented from you. And I want Valerie to document the  
9 other incident and also any other regarding her  
10 uncomfortableness with his comments about her assets.

11 MR. BOUDREAU: Yeah.

12 (Unintelligible).

13 MR. WEAVER: And yes, definitely don't say  
14 anything to anybody else.

15 MR. BOUDREAU: I know. You know, there are  
16 other incidents with Brian. (And you know, we had had a  
17 series of African-American, if you will, folks  
18 interviewing here. And Bill asked him on the side -- he  
19 says: Now, what's the chance that you are filming a  
20 Tarzan movie here, you know?

21 MR. WEAVER: Who did he say that to?

22 MR. BOUDREAU: Brian.)

23 MR. WEAVER: What?

24 ~~MR. BOUDREAU: Bill had said that to Brian.~~

PLAINTIFF BATENO.

000143

Anthony Reporting B-21  
(302) 674-8884

1 Bill had said that to Brian a couple of weeks back.

2 MR. WEAVER: Now, Rick, before you have  
3 everybody document this, I am going to reach out to  
4 HR --

5 MR. BOUDREAU: Yeah.

6 MR. WEAVER: -- because I don't know  
7 necessarily that it's in our best interest -- and Ted  
8 makes a good point to document and go on record with all  
9 of this shit that is going to get us in a great deal of  
10 trouble if a producer came back us.

11 MR. BOUDREAU: Right.

12 MR. WEAVER: But I mean I think it is all  
13 very clear.

14 (Unintelligible).

15 MR. WEAVER: I just want to make sure, that  
16 yeah, I am asking for it in the right manner.

17 MR. BOUDREAU: Right.

18 MR. WEAVER: It may just be -- and I don't  
19 know. I just -- I'll reach out in the morning --

20 MR. BOUDREAU: Yeah.

21 MR. WEAVER: -- and then call you back and  
22 give you some direction.

23 MR. FOX: I don't want anything said to Bill  
24 either.

1 MR. BOUDREAU: No, no, no, fuck, no. I mean  
2 him and I had a --

3 (Unintelligible).

4 MR. BOUDREAU: -- increased (unintelligible)  
5 of doing and the results of his sales manager and  
6 collective sales people sending all of this shit, he's  
7 just -- it's become a Spanish inquisition.

8 MR. WEAVER: So you are not going to go to  
9 Eric. You're not going to go to Val. You are not going  
10 to go to anybody until you hear back from me.

11 MR. BOUDREAU: We'll work it out in the  
12 morning.

13 MR. WEAVER: I'm sorry?

14 MR. BOUDREAU: I said until we work it out  
15 in the morning.

16 MR. WEAVER: Until you hear back from me.

17 MR. BOUDREAU: Very good.

18 MR. WEAVER: And Rick?

19 MR. BOUDREAU: Yes.

20 MR. WEAVER: Don't, you know -- You know  
21 what is right and what is wrong.

22 MR. BOUDREAU: I know.

23 MR. WEAVER: Don't let it all build up. As  
24 issues come up, communicate with us.

PLAINTIFF EXHIBIT.

1 MR. BOUDREAU: I know. That's always the  
2 direction I need to go. And that's why I said I had to  
3 make the call, because today was just the -- just the  
4 top of it all.

5 MR. WEAVER: Yeah, but God damn. I mean if  
6 we have somebody making those types of litigious  
7 statements in our office, don't wait until it's  
8 something that you happen to take personal to bring up  
9 those other issues.

10 MR. BOUDREAU: I know. They were all -- I  
11 mean yeah. It's been like two weeks, and it's just out  
12 of control and --

13 MR. WEAVER: (Unintelligible) man. I am  
14 counting on you for you, you know --

15 MR. FOX: (Unintelligible).

16 MR. WEAVER: Yeah, that high level of, you  
17 know, knowledge (unintelligible) and, you know --

18 (End of tape-recorded conversation.)  
19  
20  
21  
22  
23  
24

1 State of Delaware )  
2 Kent County )

3  
4 CERTIFICATE OF REPORTER

5 I, Cheryl A. Anthony, Delaware Certified  
6 Shorthand Reporter, Cert. No. 107-PS, and Notary Public  
7 in the State of Delaware, do hereby certify that the  
8 foregoing is a true and correct transcript, transcribed  
9 from tape-recording to the best of my ability, in the  
10 matter of Valerie Hue v. NCO Financial, date of  
11 tape-recording unknown.

12 I further certify that I am not counsel,  
13 attorney, or relative of either party, or otherwise  
14 interested in the event of this proceeding.

15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
\_\_\_\_\_  
Cheryl A. Anthony  
Delaware Certified  
Shorthand Reporter  
Cert. No. 107-PS

DATED: \_\_\_\_\_

PLAINTIFF'S EXHIBIT NO.

000147

Anthony Reporting  
(302) 674-8884

B-25



Hue 7

**NCO Financial  
Systems, Inc**

# Memo

**To:** Ted Fox**From:** Valeria Hue**CC:** Ric Boudreau**Date:** 10/15/01**Re:** Comments of Bill Savage

---

I have been asked to document comments made to me by Bill Savage. The following are only some of the comments made.

I have been the only African American female large balance collector/manager the Dover branch has had. Over my tenure with Milliken & Michael's/ NCO Financial System, Inc Bill has made numerous comments.

While completing a sit-with, Mr. Savage yells to me to come here. When I reached his location he states, " Tell Her to wake her fat ass up". He was referring to Audrey Williams, apparently she was sleep in her office. 24 hrs later she resigned. I told Mr. Savage he can't say those things and his response was and I quote "fuck her"

At the award ceremony he yells at the receptionist "Don't you thing he is fucking busy." He was referring to a call from Phil Weaver and Ted Fox to Mike Scher.

At the receptionist counter he stated he loved black pussy in context to a conversation to my mixed heritage

I was wearing a tee shirt that has Dollar bills printed on it. He comments "Val walking around with fucking money on her tits"

I was walking around the corner and ran into him. He put his arms around me and said nice tits. I told him to get his hands off of me.

At a large balance meeting he made a comment to one of the collectors to stop being a wet pussy and put their numbers on the board.

There are many other comments that Bill has made over the years. To make a complaint against Mr. Savage would only result in me losing my job.

---

B-24

1/1/02

000191

04.27.02 07:52 FAX

NCO GROUP INC

Hue 5

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NCOgroup

## Employee Change Authorization

Org. mm1

Location:

DOVER-608

Name

Hue Valerie

Social Security Number

221-56-1357

Effective Date

4/18/02

Salary/Allowance Change							
From	23.00	Annual	48,000	% of Increase	Job Title	12.768 Mgr	Job Code
To	28.85	Annual	60,000	25%	Job Title	6.0 M	Job Code
From	Office Location	DOVER	Cost Center	608	Hours	FTPT	
To	Office Location	DOVER	Cost Center	608	Hours	FTPT	

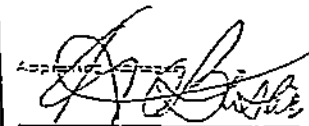

Non-Standard Workweek Differential  
 Straight Nights ☐ Sunday ☐ Sat & Sunday ☐

Name Change			
From	Last Name	513 5610 X 5.12	First Name
To	Last Name		First Name

Marital Status Change  
☐ Single ☐ Married

Address Change			
Street Address	Apt. No.	City	
State	Zip	New Phone No. & Area Code	

Reason for Salary Change (Promotion/Merit/Salary Adjustment)	
<p>From Mid Level Manager to GCM effective          immediate with Bonus Pool of 3500          for April Fees - Starting in May new Bonus          Pool will be 5000</p>	

Approvals		CEO Salary Adjustment	
Signature	Date	Signature	Date
 A. A. Oberlin Print Name	4/19/02	 A. A. Oberlin Print Name	4/23/02

B-27

Page 1 of 2

Genevieve H. Ritter, RPR  
Delmarva Reporting

Jan 4/05

belly dance

From: "Belly Dance" <bellydance@delmarva.com>  
 To: <steve.leckerman@ncogroup.com>  
 Cc: <ted.fox@ncogroup.com>  
 Sent: Thursday, January 22, 2004 9:28 AM  
 Subject: Valeria Hue

Dear Mr. Leckerman,

First, let me thank you for speaking to me this morning. I am stating for the records that I have not committed fraud nor, was my intent to commit fraud.

1/21 I was placed on suspension with pay due to 2 concerns: Not pulling checks and recreating dci on redips

**Not pulling checks:** I, as well as my mgt staff were given directives by Kathy on some months not to pull any checks. She would state they need to start working supp right away. I remember this being directed either June or July. This directive was given many different times during my 2 yrs as GCM. When a collector has asked me to pull or move check into next month. I look at where the producer is mtd. Is he sand bagging? Usually that is the case. I wouldn't tell the producer he is sand bagging but, no to his request. There has been hundreds of times when I have pulled check with out the producers okay because of stop pay, etc.

**Recreating DCI redips:** We had a policy under Phil Weaver that all checks were redipped 2 times automatically. When that policy went away it was mgt discretion on redipping checks. I have a redip policy in my branch with a form that the producer fills out. This form asks for verification method and once it is signed then it is redipped. If that form isn't filled out then it wasn't approved.

My manager, under my direction went to the producers with cash journal in December and discussed nsf if we could redip any checks. The same paper work had to be completed however, I did notice numerous checks were redipped without the form being signed after I returned from vacation. Yes, I should have given Eric clearer direction. The managers and producers always talked together about this. I never advised any producer they HAD to redip a check if we knew there was no chance to recover. If the banks won't verify which is 80% of the time then the decision is made based on that collector gut and discussion with the debtors.

In the beginning mgt were given a directive from upper management that on redipping dci we would have to recreate them with the same check number. I believe there are emails to that effect. That directive was never officially changed by upper management. I have reviewed cash journals from all offices and noticed dci being created on nsf.

Kathy, on the conference call on 1/20/04 did clarify we had to redip the dci not recreate another one. Mac MacKenzie, asked the question on the conference call if dci comes back could we recreate it with same check number. Kathy asked him is that going on in his branch and he stated not as of right now. Yesterday, Kathy stated I was the only branch that recreated checks on dci. I was surprised since she knew Adanta also had done the same thing. I know there was no fraud attempt as she alleged. The direction that was given wasn't clear by upper management.

Kathy had stated on calls to my office to redip everything except stop pay. I believe this was in June or July.

1/22/2004

B-28

nnnnn

Brian Laiche stated to me that he was upset not bonusing and he redipped many of his checks in Jan or Feb of last year to make a bonus. He said Kathy knew.

( I am being disciplined because the direction from upper management was not clear on numerous occasions. I believe I am being singled out for things all gcm have done not because we are stealing but, due to direction that wasn't clear. )

My attempt in this email is for you to understand as gcm we have not always had clear direction. I don't deserve to be treated in this manner.

Thank you,

Valerie Hue

000024

B-29

LAW OFFICES

**PARKOWSKI, GUERKE & SWAYZE**

PROFESSIONAL ASSOCIATION

116 WEST WATER STREET

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302-654-3300  
FAX: 302-654-3033

March 23, 2006

Julie Cutler, Administrator  
Delaware Department of Labor  
Division of Industrial Affairs  
4425 North Market Street  
Wilmington, DE 19802

**RE: Valerie Hue v. NCO**  
**Case No.: 0402270/17CA400265**

Dear Ms. Cutler:

Our firm represents Valerie Hue in connection with the above matter. Pursuant to this letter and the Delaware Freedom of Information Act I am hereby requesting that we be provided with a copy of the document which reflects that the respondent in the above matter received the charge of discrimination. It is my understanding that the charges are sent by certified mail and that the agency retains a copy of the receipt indicating the respondent has received the charge.

If you have any questions, please contact me at the above number. Also, if there is any charge for the copy please let me know. Thank you for your assistance.

Yours truly,



JEREMY W. HOMER

JWHsar

e-mail: Jhomer@pgslegal.com

HHue:Cutler10

B-30



4425 NORTH MARKET STREET  
WILMINGTON, DE 19802

Telephone (302) 761-8200  
Fax (302) 761-6601

## STATE OF DELAWARE DIVISION OF INDUSTRIAL AFFAIRS

### *FACSIMILE TRANSMITTAL SHEET*

DATE: 4/06/06 FAX NO: (302) 678-9415 NO. OF PAGES: 2 (including cover)

TO: Sandy  
Parkowski, Guerke, & Swayze

FROM: Nelly Muñoz, Administrative Specialist II  
Office of Labor Law Enforcement

This facsimile is intended for the use of the addresses named herein and may contain privileged and confidential information.

#### COMMENTS

Per your request, attached is a copy of the certified mail receipt in the matter of Hue v. NCO.

If you have any questions, please contact me at (302) 761-8200.

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits.</p> <p>1. Article Addressed to:</p> <p><b>NCO Financial Com. Services Personnel/EEOC Manager 802 Silver Lake Blvd. Suite 200 Dover, DE 19904</b></p>		<p>A. Signature <input type="checkbox"/> Agent <input type="checkbox"/> Addressee <i>Edward J. Lucas</i></p> <p>B. Received by (Printed Name) <input type="checkbox"/> Date of Delivery <i>DEPT OF LABOR</i> <i>2-11-04</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below: <i>FEB 13 2004</i></p>	
<p>2. Article Number (Transfer from service label) <b>7002 2410 0000 3065 5144</b></p> <p>PS Form 3811, August 2001 Domestic Return Receipt 102595-02-M-103E</p>		<p>3. Service type <input type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	

B-32



01/21/2004 09:58 FAX 3027354691

NCO Group

Lane #1

4-005



## Job Discussion Summary

\*\* PLEASE PRINT OR TYPE \*\*

LAST NAME	FIRST NAME	SOCIAL SECURITY NUMBER
Lane	Matthew	327-70-2229
LOCATION (CITY, STATE)	ACQUISITION NAME	DATE
Dover, DE	MMI	1/20/04

Nature of Discussion (check one):

☐ Verbal Warning    ☐ Written Warning    ☐ Final Warning    ☒ Termination

Topic of Discussion (check one):

☐ Attendance    ☐ Performance    ☐ Insubordination    ☒ Violation of Co Policy    ☐ Other \_\_\_\_\_

Written Summary (use separate sheet if necessary, include dates, times, who, what, when, why, etc.):

NCO policy states that falsification of company records, including but not limited to the misrepresentation or omission of pertinent facts in client or debtor records, phone activity reports, time cards, medical forms, claim or benefits, employment applications or other documents will result in immediate termination.

NCO policy also states that employees who have access to customer records are responsible for ensuring that all customer records placed in NCO's trust are maintained completely and accurately, with full confidentiality. NCO employees shall not knowingly submit a false, fraudulent, or fictitious claim for payment or reimbursement.

NCO's Business Conduct and Work Rules policy states that violation of federal, state or local law will not be tolerated. When such violations occur on the job, relate to work performance, or adversely affect NCO, you will be subject to progressive discipline, up to and including termination.

NCO's Business Conduct and Work Rules policy also states that engaging in any immoral, indecent, or similar conduct during working or non-working hours, whether or not involving NCO or its clients, vendors, or employees, that could potentially result in damage to the reputation of NCO, its clients, or employees will not be tolerated.

On June 4, 2003, you were trained, and agreed to abide by NCO's Commercial Service Compliance Policies.

On December 9, 2004, you changed the direct check (check number 18704) for account S13517 to \$19,000.00. On December 18, 2004 you changed this same check number to \$15,000.00. On December 19, 2004 you changed this amount once again to \$11,000.00. On December 23<sup>rd</sup>, you moved the date ahead to the 31<sup>st</sup> of December, and then finally on December 31<sup>st</sup>, 2004 you changed the amount for a final time to \$5,000.00. On January 20, 2004 you admitted to your manager, Valerie Hue & Eric Shaw, that you did not have authorization from the debtor to change the amounts of the direct check number 18704 until the December 31, 2004, for the amount of \$5,000.00.

Action To Be Taken (results of discussion, follow up, dates of follow up, etc.):

Immediate Termination.

Employee Comments:

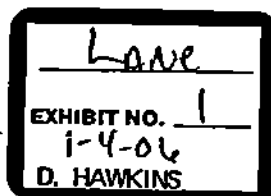

*Employee refused to sign*  
Employee Signature

*Valerie Hue 1/20/04*  
Manager/Supervisor Signature/Date

Copy - Human Resources

Copy - Retained by Department Manager

Human Resources Signature/Date



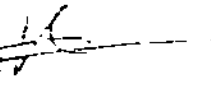
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000057

Corporate Employee Relations  
Revised 7/02



## MEMORANDUM

To: Kim Marlow  
From: Valerie Hue   
CC: Kathy Obeushain  
Date: January 5, 2004  
Re: Fee Moves / file transferred

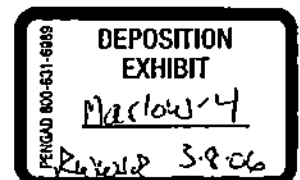
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Kim, as you are aware, we have had two conversations today regarding moving fee from other branches (S57055 & S10668) and files being transferred to P67.

Giving fee that's unearned to any producer is a policy NCO will not tolerate. To complicate that matter you moved fee from another branch to our branch. Certainly you, nor the collection management staff of this office wants or deserves the reputation of moving fee without permission. Under no circumstances are you to move fee from one collector to another or branch-to-branch, this includes house units. If there is a legitimate reason fee needs to be moved (Example Do - D2), then email me first and I will forward it to Kathy for approval.

The only accounts that are to be in P67 are Saskatchewan skip accounts. We are responsible for all inventory in this branch and it must not get confused. We have a letter series file for Dover skips. All of that inventory must be cleaned out today. Please do not hesitate to see me if you have any questions.

Valerie Hue



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NCO Financial Systems, Inc.  
Commercial Services  
3850 N. Causeway Blvd., 2<sup>nd</sup> Floor  
Metairie, LA 70002  
Phone 504-834-8800  
Fax 504-837-3230  
www.ncogroup.com

## MEMORANDUM

TO: GCMs

FROM: Kathy Obenshain

DATE: December 15, 2003

RE: 1st Quarter Postdate Contest

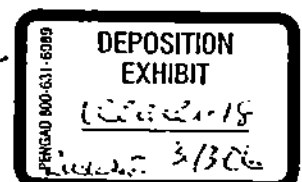
It's that time again! To help motivate our focus to get the 1<sup>st</sup> quarter postdates up, we're going to have the 1st Quarter Postdate contest again this quarter – again, the money goes to the GCMs.

The rules are the same, we will establish a pool and you gain shares in that pool by exceeding your above goal. You will get 50 shares for reaching your goal, and an additional share for every tenth of a percentage point that you exceed your goal. If you achieve 102.25% you will get 72 shares (50+22). The pool will be divided according to the total shares earned. The amount of the pool will depend upon the total postdates we can attain. \$998-\$1.1=\$3,000 pool; \$1.2k -1.4k=\$4000 pool; \$1.5k plus =\$6,000 .

Metairie	\$189,447
Boone/Tucson	\$99,174
Dover	\$161,221
Portland	\$140,369
Atlanta	\$217,673
Odenton	\$165,289
Tampa	\$168,341
Finals	\$58,487
Total	\$1,200,000

cc: Phil Weaver  
Payroll

KAO:tl



B-35

## Memorandum

To: All Collectors

From: Phil Weaver

Re: Re-deposits

Date: June 5, 2001

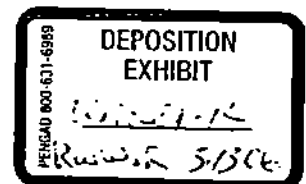
*di*

Effective in June, and continuing indefinitely, the following policy is in place. Any request for re-deposits must be directed to your immediate supervisor for scrutiny and approval. Once they have approved it at their level, they will then forward requests for any re-deposit that is over \$1,000 gross to me so that I may personally review it to ensure we are not "hanging paper" .

As always, if you have any questions, or if I may be of any assistance please do not hesitate to call.

PW:mm

Cc: Ted Fox  
Ed Trahan  
Rodney Wild  
Branch Managers  
Collection Managers



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Hue, Valerie

60 days

From: Weaver, Phil  
Sent: Wednesday, March 05, 2003 10:02 AM  
To: Commercial Ops Mgrs  
Subject: FW: NSF's

The following outlines the policy for re-deposit of NSF checks. Read carefully and adhere accordingly! //\*

Phillip Weaver  
Senior VP Commercial Services  
NCO Financial Systems, Inc  
3850 N Causeway Blvd  
Metairie, LA 70002  
Work-800 725 6908  
Cell-885 807 7445  
Phil.Weaver@NCOgroup.com

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—Original Message—

From: Capaldo, Bette  
Sent: Tuesday, March 04, 2003 12:28 PM  
To: Weaver, Phil  
Cc: McGowan, Meghan; Harrison, Laura  
Subject: RE: NSF's

Phil:

An employee has started today that is going to be responsible for the redeposit process. Please inform your staff of the below process which can begin tomorrow.

- Items that were posted on/after 2/25/03 are eligible for redeposit request
- Requests should be emailed to [laura.harrison@ncogroup.com](mailto:laura.harrison@ncogroup.com)
- Requests for redeposits can only be made for NSF items processed within the past 30 days (time frame provided by executives)
- Requests can only be made on items that have been returned only once
- Requests can only be made on true NSF items and not refer to makers, invalid accounts, etc. (this information can be found in the transactions on the debtor record)
- Emails will be processed in the order received
- Accounting clerk will have to do a final verification and only items meeting the above criteria will be posted and redeposited

If you have any questions, please feel free to give me a call.

Bette

—Original Message—  
From: Weaver, Phil

3/5/2003

EXHIBIT

Shaanthiell  
Cao 1/31/06

DEPOSITION  
EXHIBIT

000002

000002

B-37

Sent: Monday, February 24, 2003 9:40 AM

To: Commercial Ops Mgrs

Cc: Commercial Sales Mgrs; Capaldo, Satta; Lackerman, Steve; Winchur, Steven

Subject: NSF's

Effective immediately, the automatic re-deposit of returned items from the bank will cease. This will prevent items being returned after client remittance has been issued.

Shortly, I will be publishing a process for collectors to utilize for re-deposit of items only returned once on a case by case basis.

Phillip Weaver  
Senior VP Commercial Services  
NCO Financial Systems, Inc  
3850 N Causeway Blvd  
Metairie, LA 70002  
Work-800 735 6008  
Cell-985 807 7445  
Phil.Weaver@NCOgroup.com

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3/5/2003

000003

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## MEMORANDUM

To: All Collections Management  
All Cash Processing Department Management

Cc: Steven Leckerman  
Michael J. Barrist  
William Fischer

From: Steven L. Winokur

Date: March 12, 2003

Recently there have been several questions regarding our month-end close process and how we handle certain issues in the "crunch" of the end of the month. While there has been no change in NCO's existing policies and the Corporate Policy Manual spells out all of the policies in detail, I thought I would take a moment to reiterate and clarify some of the policies and the procedures that are in place to ensure compliance:

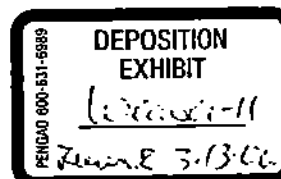
**All systems are to be closed the first business day after the month-end.**

Revenue attributable to payments received at NCO on the first business day of a particular month is recorded in the preceding month since the Company has already expended the costs to effect these collections in the preceding month. The assumption is that funds received on the first business day of the next month were mailed in the prior month.

We have traditionally kept our phone-pays, Western Union Quick Collects, and credit card processes open until 6:00 PM, on the first business day after month end, to allow time for all checks authorized prior to the month-end to be processed and credited to the proper month. As the Cash Processing Department has become significantly more efficient at this process, that time is currently being adjusted to 12:00 Noon. This will help ensure that our phone-pays and credit cards are processed and credited to the month in which the work to collect those funds was performed. This cut-off time may continue to be shortened as electronic transfers narrow the processing window.

The only exception to this is in certain directories (e.g. Healthcare), where the directory is kept open to allow the posting of directs reported by clients to NCO after month-end, but received by the client before month end. In these instances,

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cash processing is still required to be closed on the first business day after the month-end.

**Post-dated checks will be run based on their deposit date.**

Another way to put this is that all post-dated checks will be processed such that they are actually deposited to the bank on the day the check is dated.

During the month, volumes allow us to do "same day deposits." Accordingly, post-dated checks are run through the current day. At month-end, volumes are higher, and accordingly, deposits occur first thing on the next business day. Accordingly, at month-end, post-dated checks are run through the next day.

There are two exceptions to these rules:

- 1) Any client prohibiting us from posting ahead (i.e. the check can not be *processed* before the check date) will remain day current (NDSLs, etc.)
- 2) Any client that requires us to post more then one additional day must provide their request *in writing*. Without a written request this cannot be done. Email from the appropriate party at a client will suffice for this purpose. A copy of the written request must be maintained in the Horsham cash-processing department.

Any employee who changes a date of a post-dated check without authorization from the debtor will be subject to immediate dismissal.

**We will "pull" a post-dated check only up until 24 hours of when it is deposited.**

Our policy, in accordance with the FDCPA, is that we will "pull" a post-dated check only up until 24 hours of when it is deposited. Accordingly, once a post-dated check has been posted as a payment, it cannot be pulled.

Debtors may request a "pull" only up to 24 hours of when the check is deposited. Outside this window, the debtor is to be told that the check has been processed so that it will be at the bank for deposit on the day the check is dated.

Collectors must adhere to the "24 hours before" rule. This accomplishes two things:

- 1) It ensures that the earnings process is complete when the check is processed, and,
- 2) It ensures that deposits are made timely to the bank (the date that the check is dated)